THE VICE-CHAIRMAN (SHRI SYED RAHMAT ALI): We shall now take up clause by clause consideration of the Bill.

Clauses 2 and 3 and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI JANARDHANA POOJARY: Sir, I beg to move:

"That the Bill be returned."

The question was put and the motion was adopted.

THE ESTATE DUTY (AMENDMENT) BILL, 1984

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): Sir, I beg to move:

"That the Bill further to amend the Estate Duty Act, 1976, as passed by the Lok Sabha, be taken into consideration."

Sir, the Bill seeks to amend the Estate Duty Act mainly with a view to excluding agricultural lands from the levy of estate duty under the Central enactment. As the hon. Members are aware, estate duty in respect of agricultural land is a State subject. Parliament has, however, been empowered to legislate on this subject by virtue of legislation to that effect passed under article 252(1) of the Constitution by the Legislatures of various States, except the State of West Bengal and the State of Jammu and Kashmir. Sir, the yield from estate duty in respect of agricultural lands has, however not been significant. For example, the estate duty attributable to agricultural land amounted to about rupees one crores in the financial year 1982-83 and Rs. 70 lakhs in the financial year 1983-84. Our experience is that the valuation of agricultural land also leads to administrative difficulties and litigation. Moreover, after the abolition of wealth-tax in respect of agricultural lands, including plantations, there is little justification for continuing the levy of estate duty in respect of agricultural lands under the Central enactment.

Having regard to these considerations, the Finance Minister had announced in his Budget Speech for 1983-84 that it is proposed to exclude the levy of estate duty in respect of agricultural lands from the ambit of the Estate Duty Act, 1953. This Bill has been introduced, after obtaining necessary resolutions from the State Legislatures, to implement the announcement made by the Finance Minister.

When the provisions of this Bill come into force, the power to levy estate duty in respect of agricultural land will stand restored to the concerned State Legislatures, which may then enact laws for levying estate duty in respect of agricultural lands in their respective States. The exclusion of agricultural lands of purposes of the Central levy would also result in a considerable simplification of the procedure for sponsoring amendment to the Estate Duty Act, as the desired amendments could then be directly introduced in and passed by Parliament without following the special procedure of obtaining resolutions from the State Legislatures under Article 252 of the Constitution adopting the proposed amendments.

The value of agricultural land in respect of which estate duty is not leviable under the Estate Duty Act, that is, agricultural lands in the State of West Bengal and the State of Jammu and Kashmir is required to be aggregated with the value of the other property of the deceased for the purposes of determining the rate of duty applicable to such other property. With the proposed exclusion of agricultural land from the levy of estate duty under the Central Act, the Bill also seeks to omit the provision relating to aggregation of the value of agricultural lands in the said States.

The Bill also seeks to amend the provision relating to the laying of

[Shri Janardhana Poojary]

rules made under the Estate Duty Act before the two Houses of Parliament with a view to bringing it in line with the 'model clause' recommended in this behalf by the Committees on Subordinate Legislation of both the Houses of Parliament.

Sir, the legislatures of the States of Assam, Bihar, Gujarat, Haryana, Himachal Pradesh, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Orissa and Tamil Nadu have already passed resolutions under article 252 of the Constitution adopting the proposals contained in the Bill. The proposed amendments will come into force in respect of agricultural lands in these States and in all the Union territories on the expiration of two months from the date on which the Bill, as passed by the two Houses of Parliament, receives the assent of the President. In respect of agricultural lands in the other States which pass such resolutions hereafter, the proposed amendments will come into force on the expiration of four months from the date of such resolutions. This would provide sufficient time to the State Governments to take necessary steps, for the enactment of separate laws for the levy of estate duty in respect of agricultural land in their respective States, in case they so desire.

Sir, I trust that this short and simple Bill will receive the unanimous support of the House. Sir, I move.

The question was proposed.

The Vice-Chairman (Shri Ashwani Kumar) in the Chair.

SHRI MOSTAFA BIN QUASEM (West Bengal): Mr. Vice-Chairman, Sir, the object of the Estate Duty (Amendment) Bill, 1984, as per the statement made just now by the Finance Minister, is to exclude agricultural lands from the ambit of the principal Act, i.e., the Estate Duty Act, 1953, which is a Central Act, and the Minister has already stated that he wants to restore, the Government wants to restore the power to impose estate duty on agricultural lands on the willing States as per the provisions of article 252 of the Constitution. Sir, the wisdom of this amending Bill is to be assessed, I think, with reference to the main purpose of enacting the Estate Duty Act, 1953 which provided at that time for levy of estate duty on agricultural lands. I would like to remind the hon. Member that the Estate Duty Act, 1953 was enacted by Parliament after much thinking and deliberation. The main object of enacting the Estate Duty Act, 1953 was, as the then Finance Minister, Mr. C. D. Deshmukh pointed out, to reduce inequalities in the distribution of wealth in the country. I fear, Sir, this amendment Bill, if enacted, is going to frustrate the very purpose of the enactment of the Estate Duty Act, 1953.

Before dwelling on the bad results which this amendment will produce, I would like to recollect our experience with the operation of the Estate Duty Act in our country. It is known fact that the Estate Duty Act is in operation in the country for more than 30 years. What has been the effect of estate duty and other tax measures in reducing inequalities in the distribution of wealth in the country? The position in reality has just been the reverse for the last 3 or more decades. There has been more and more of concentration of wealth in the country, both in the rural sector as well as the urban sector, and the process is going on. Examples are not rare to find. At the time of Independence, some of the industrial houses of our country started with an asset of Rs. 25 crores and after protracted efforts of the Central Government for establishing an egalitarian society, some of these big industrial houses have, by this time, been able to amass assets to the tune of Rs. 2500 crores. In the rural areas we still find, about 40 per cent of the agricultural lands concentrated in the hands of 4-5 per cent of the land-owners in the country. We cannot forget the number of landless agriculturists, nor can we forget the number of people residing below poverty line. About 50 per cent

of the people in our country are still living below the poverty line. This has been the achievement of the Central Government which professes reduction in inequalities in the distribution of wealth in our country. What more achievement can be expected of the ruling party and its Government whose economy is primarily to look after the interests of the big industrialists and landlords in our country. With the background, the horrible background of distribution of wealth in our country, the Government is going to introduce this Bill which wants to exempt agricultural lands from the ambit or the purview of levy of estate duty. I would like to ask the hon. Minister: While introducing this Bill and while enacting this peace of legislation, are you not giving positive incentives to the industrialists of our country to make more investments in agricultural lands and thereby get their properties exempted from the levy of estate duty? Are you not inviting afresh investment of black money in the rural sector? Are you not going to give opportunities to the big landlords to get out of the net of the estate duty? These are the questions which I would like to pose before the hon. Minister. This Bill will not help to mitigate the existing disparities in the distribution of wealth in our country. This will frustrate the basic objective of the enactment of Estate Duty Act of 1953. I do think that faithful implementation of the land reforms measures with stringent provisions for land ceiling could have been an answer to the serious problem of concentration of wealth in the rural sector. But what is our experience here also? Land reforms, with the exception of 2 or 3 States, remain merely a show business. What is the attitude of the Central Government towards land reforms? I would like to cite one example. The Central Government has given the green signal to the Bihar Land Reforms (Amendment) Bill, 1982, which sought to exclude the Tatas from the operation of the Bihar Zamindari Abolition Act, and which sought to restore the intermediary rights of the Tatas in and around Jamshedpur, with retrospective effect from 1960. The Central Government promptly secured Presidential assent to this retrograde Bill. This Bill become a law and this is in operation now.

But what about the West Bengal Land Reforms (Second Amendment) Bill? This was enacted long ago. This Bill seeks to plug certain serious loopholes in the land ceiling legislation and thereby make land reforms a bit more meaningful and a bit more real in the State of West Bengal. This Bill has not yet received the assent of the President and this is accumulating dust in some corner of the Secretariat. This is the attitude of the Central Government to these land reform measures which, otherwise, could have been an answer to the serious problem of concentration of wealth in the rural sector of our country.

Sir, the hon. Minister has advanced another reason for initiating this piece of legislation. He says, valuation of agricultural land for the purpose of levying estate duty results in administrative complications and litigations. But how does the Minister take this decision that if this power to levy estate duty is transferred to the State Governments, all these litigations and all these administrative difficulties will evaporate? The State Governments will be facing all sorts of such difficulties. Therefore, this argument put forward by the hon. Minister is a vague one and it smacks of unsound logic.

Before concluding, I would like to draw your kind attention to another aspect. It is said that the yield from estate duty is insignificant. Now, I do not think that estate duty on agricultural land is capable of producing such meagre yields, keeping in mind the vast number of owners of real estates in our country. The meagre yields of estate duty on agricultural land can better be explained by the lack of sincerity on the part

[Shri Mostafa Bin Quasem]

of the Government, the incapacity or unwillingness on the part of the Governmental machinery to ensure a good management of estate duty affairs, the check tendencies of evasion of estate duty and to curb tendencies like undervaluation of agricultural land for the purpose of evading estate duty. Government has not been able to stop these malpractices. Yet, the Central Government wants to shirk its responsibilities.

I would like to ask the hon. Minister, what prompted him to bring forward this Bill? You have already given a sort of camouflaged statement passed Resolutions and so on. But I would like to point out that before the Estate Duty Act of 1953, before legislation was enacted, the State Governments had the power, under the Constitution, to levy estate duty on agricultural land. But the purpose of uniformity in the rates of estate duty and for the purpose of administrative convenience, they wanted the Central Government to enact the legislation. Please open your mind. Is it not right that there is a certain pressure on you, on the Government from the richer sections of our people, from the rich, modern Zamindars of the country and just by way of obliging them, just by way of strengthening your bonds of friendship with them you have resorted to this piece of legislation, particularly in the year of Parliamentary elections? Thank you, Sir.

श्री मो इर्शादबेग एयुबबेग (गुजरात): जनाब नायब चेयरमैन साहब, इस्टेट डयूटी एक्ट में जो तरमीम मुहय्या की गई है इसका मैं इस्तकबाल करते हुए ऐवान से यह कहना चाहूंगा कि काश्तकारी की जमीन के लिए यह एक्ट निहायत प्रोग्रेसिव कदम है। सरकार ने सन् 1953 में जमींदारी नाबूदी एक्ट, तथा लैण्ड सीलिंग एक्ट और लैण्ड रिफार्म्स के बारे में कदम उठाये हैं जिसके अच्छे नतायज हमको मिल सके हैं। चूंकि यह सरकार काश्तकारों की बेहतरी और बहबूदी चाहती है, इसलिए उसने फिर एक बार यह तरमीम लाकर किसानों के हक में यह कदम आयद किया है। मौजूदा एक्ट से काश्तकारी जमीन से सिर्फ एक करोड़ रुपये के करीब इकतसादी इजाजा वसूल हो सका, जिससे हम नजरअंदाजी कर सकते हैं। और इससे आयद की गई तरमीम की बजहात को भी हम समझ सकते हैं और सरकारी तौर पर मौजूदा हालत को भी समझना हम निहायत जरूरी समझते हैं। एस्टेट ड्यूटी का सन् 1976-77 में जो 15 करोड़ रुपया के करीब बकाया था, उसमें इजाफा होकर सन् 1980-81 में 28 करोड़ रुपये के करीब पहुंच गया है। हजूरेआला, मैं ऐवान से यह कहना चाहूंगा कि सिर्फ जमींदारों और राजा-महाराजाओं के पास 1979-80 में इस कानून के तहत 22 करोड़ रुपये के करीब बकाया की वसूली थी जिनमें से सिर्फ साढ़े चार करोड़ रुपए की ही वसूली हो सकी है जो कि हमारी अमलदारशाही के नजरिये का पर्दा-फाश है। हकीकतन बड़े जमींदार और राजा-महाराजाओं के पास मुल्क छिपाने और उससे बचने के लिये खेती की जमीन की आड़ लेते हैं और सरमाया उसमें मुल्लविस करते हैं जिसको अब बताया जा सकेगा। आला हजरत, मैं यह भी कहना चाहूंगा कि जब बरतानवी हुक्मरा हिन्दुस्तान को छोड़कर गये थे तब बिग इंडस्ट्रियल हाउसेज का सरमाया 25 करोड़ रुपये था जो अब बढ़कर 25 सौ करोड़ रुपया हो गया है। यह हैरानकुन नहीं बल्कि दहशत अंग्रेज बात है और हजूरेवाला जिनका मुनाफा 60 करोड़ रुपया होने के बावजूद उनका टैक्स का खाता, सरकारी तिजोरियों में हमेशा उधारी दिखाता रहा है। वेल्थ टैक्स और एस्टेट ड्यूटी, की वेलयूएशन का तदीकेकार भी अलग-अलग है। जिनको किसी हद तक स्टैंडीइज करना बेहद लाजिमी है। इस वक्त भी अगर देखा जाये तो आज भी असेसमेन्ट के तकरीबन 35 हजार कैसेज पेंडिंग है। मैं समझता हूं और यह वक्त का तकाजा है कि सरकार अपना नम्बलदेन बनाकर कुछ गिने चुने और मखशूश सरमायेदारों की जमातों की और छानबीन करे तो ऐसा होने पर भुगतान और आमदनी में बढ़ोत्तरी हो सकती है। मैं एस्टेट डयटी को पूरी तौर पर निकाल देने की बात की मरम्मत के बरखिलाफ इस ऐक्ट को और कारगर बनाने की तरफदारी करता हूं। हजूरवाला में

चाहता हूं कि सरकार को इस बिल की आयद पर, क्योंकि आज चार फीसदी सरमायेदार. जमीदार और राजा-महाराजाओं के पास मुल्क की 31 फीसदी जमीन की मिल्कियत है । सरमायेदारी और ब्यूरोक्रेसी की मामु-भानजे की रिश्तेदारी का यह बेहतरीन नमूना है । मुल्क को आवाद बनाने के लिए, डेवलपमेन्ट के काम के लिये बड़े पैमाने पर सरमाये की जरूरत है, इस बात को हम समझते हैं और इन्हीं बजूहात को जेरे निगाह रखते हुए राज कमेटी ने भी बड़े सरमायेदारों की फसल की ज्यादा पैदावार पर टैक्स लगाने की भी सिफारिश की थी। मौजूदा हालात में पैदावार की अखराजात की वजह से पैदावार की कीमतें बढ़ी और काश्तकारी महंगी बनी हैं । मुसलसल बाढ़ और सूखे ने किसान को और कमजोर बनाया है और इन मौजूदा हालात को जेरे निगाह रखते हुए काश्तकारी जमीन को एस्टेट ड्यूटी से रिहाई देना काश्तकारों के आला हक में है । इन्हीं अल्फाज के साथ मैं इस बिल की आमद पर उसका इस्तकबाल करते हुए इसको सपोर्ट करता हूं और अपनी तकरीर को खत्म करता हूं। जय हिन्द ।

SHRI JASWANT SINGH (Rajasthan): Mr. Vice-Chairman, Sir, I would like to express certain amount of dissatisfaction with this present measure which has been brought before the House; and in the process of doing so I have to very briefly go into the antecedants of the whole concept of estate duty. It is what I call the Kaldorian legacy in which we are still trapped. Prof. Kaldor at the time of our independence gave us the basic philosophy of taxation and we have not yet moved away substantially from that basic philosophy. He suggested that there be an income-tax, so that if a person earns income, there is a tax on it, that there be an expenditure tax, that is, if a person spends anything out of what he has earned let there be tax on it.

There should then be a Gift Tax. If somebody goes to the extent of gifting any part of his income or wealth, a tax be levied on it. Then we have the Wealth Tax so that the total wealth of a person could be taxed. And if he does none of these acts and in due course happen to die, then on his death let there be an Estate Duty.

Now at the time of Independence, in the absence of any other philosophy of taxation, perhaps there was a rationale for such a policy, we were. It was an emerging country newly independent country and there was a situpation basic want and an attempt to combat that want, to combat poverty. To an extent it was therefore perhaps understandable that what motivated the whole structure of our direct tax system was this desire that the want existing in the country should be shared. As there was no wealth to share, we might as well share want. By itself it is a reasonable enough proposition. If you wish to avoid a revolutionary situation, if you want to evolve yourself into an egalitarian society. The basic philosophy behind the taxation system was of equalisation but it suffered from one basic fallacy. And that basic fallacy was that in any egalitarian reform a process of equalisation can be attempted successfully through the medium of taxation. That was the basic fallacy. And it is because we continue to be trapped within that basic fallacy, therefore, we also remain trapped within, what I call, the Kaldorian legacy.

So, we have to, while considering this Bill, also carry out the assessment of the benefits of Estate Duty. The Hon. Deputy Minister of Finance has himself mentioned in his introductory remarks, that he made to the House that the total revenue accruing to the State, out of Estate Duty is not a very subsantial sum of money. I have with me here the report of the Public Accounts Committee which went, not directly into the question of Estate Duty but which went into the question of valuation and then made some comments about Estate Duty. And, Sir, it makes very interesting reading. While considering the arrears of Estate Duty, it says that it is by an admission of the Department itself, that the total amount

[Shri Jaswant Singh]

collected as Estate Duty over the past ten years, if an average were to be taken of the past ten years, would not perhaps amount to more than about Rs. 15 crores.

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir): Per annum or total?

SHRI JASWANT SINGH: Per annum. Now if the total revenue that the country is collecting as Estate Duty is Rs. 15 crores, for which a huge edifice, the taxation system etc., is built, it raises many questions to which I shall come very briefly subsequently. But the figures that the Public Accounts Committee gives of arrears of number of cases also make a very interesting reading. In 1976-77 and earlier years the numbers of cases standing in arrears was roughly 6,987, in 1977-78, 2,340, in 1978-79, 2,649, in 1979-80, 3818 and in 1980-81, 9,482. That is up to 1980-81, these are the figures which this Report enables me to give. But what is more interesting is the break-up of the Estate Duty assessments during 1980-81, according to the then existing slabs of pre-valued estates, exceeding Rs. 20 lakhs were only 12. Only 12 cases exceeding Rs. 20 lakhs of estate ! And between Rs. 10 lakhs and 20 lakhs, the number was 64, between Rs. 5 and 10 lakhs—317; between 1 and 5 lakhs—5728 and between Rs. 50,000 and 1 lakh—6,000. Out of a total number of 12,000 cases rughly, 11,000 cases are between Rs. 50,000 and 5 lakhs.

So, the point I am trying to make is, that if the total annual revenue accrual to the State on account of estate duty is averaging about Rs. 12 to 15 crores and if in the break-up of the estate duty payers more than 90 per cent of them are in the region of Rs. 50,000 to Rs. 5 lakhs, then this whole principle, the philosophy underlying estate duty—of equalisation of sharing want of bringing everybody down—has not succeeding precisely because of the fallacy that any reform can be attempted through the media of taxation.....*(Time bell rings.)*....it I will be very brief, Sir. I appreciate the restraints on time.

SHRI JAGESH DESAI (Maharashtra): Big estate holders do not die because they have got the money and so, they can remain alive. Those people who have less money die.

SHRI JASWANT SINGH: Sir, I am somewhat intrigued by the hon. Member's intervention because, even if an assessment is carried out, it will be proven that more people in India die because of overeating than of undereating—not that I am happy that people should die of undereating. I will be happy if less people die of undereating. But the fact remains that more people in India today are losing their lives because of overeating than undereating. Therefore the suggestion of the hon. Member is not very convincing.

SHRI GHULAM RASOOL MATTO: Yamraj will not discriminate.

SHRI JASWANT SINGH: That is perhaps correct. Now I will go briefly to the assessment of costs of estate duty. There are, of course administrative costs. Sir, I will read what the Department itself says about financial costs. Asked to indicate the estimates of eastate duty collection, the Finance Secretary said:—

> "The cost of everything is going up. Our estimate is that it will be about Rs. 19 crores."

Now, I could be corrected about this figure by the hon. Minister. The costs of collecting estate duty, to my mind, bear no relationship with what we actually want to collect, that is, only in the context of financial costs. Administrative cost, I would like to put across through you sir to the Minister, are on the whole defferent. They be in the creation of a bureaucratic structure, an edifice to collect a minimal amount of revenue which goes towards the Central exchequer.

I reckon the most important aspect of the costs in our assessment of costs of estate duty, are moral costs. Those moral costs have a direct nexus with this whole philosophy of taxation. I have not the time to go into it. I will therefore, very briefly put across to you, Sir, that because the philosophy of taxation is at fault, therefore, in administering the taxation system we, as a country have had to pay very high moral costs. There is no denying it. This is a fact— which we deny only at our own peril—that in the administration of the tax structure of the country we may have collected more money but, in the process, we have distributed a great deal more of corruption. That is the single largest moral cost that the country continues to pay.

In that light, Sir, I would very briefly emphasise to the hon. Minister that my other dissatisfaction with this Bill is that it does not attempt to rectify one fundamental anomaly in estate duty, which is with regard to the valuation systems. You have a different valuation system for wealth tax, you have a different valuation system for estate duty, you have a different valuation system when it comes to gift tax and you have a different valuation system when it comes to property taxes levied by municipalities etc. Within one country if four or five different systems are employed and none of them horizontally meshed and none accepting the other's valuation, then it creates a chaotic situation. That is also a ground of my dissatisfaction with the present Amending Bill. I would, therefore make two recommendations and sit down.

I do not think the administrative costs, the financial costs when balanced out against the annual accruals to the Central exchequer, justify the existence of taxes like estate duty.

I would urge upon the Minister and the Government to reconsider the whole question of levying a retrograde duty like Estate Duty. Just before this session commenced, the honourable the Finance Minister, in a press conference, had stated that during this session itself a comprehensive Bill about reform of taxation, direct taxation, etc. based on L.K. Jha Committee's report would be brought forth. It would perhaps have been better if this Bill had been made a part of that comprehensive legislation, if that legislation is to come forward, conjoined with that. If that is not to come forward, let the hon. Minister of Finance say so.

With that, I thank you for the courtesy of time extended to me.

SHRI BISWA GOSWAMI (Assam): Mr. Vice-Chairman, Sir, the Estate Duty Act came into effect in 1953. In the Statement of Objects and Reasons of that Act it was mentioned—and I quote:

> "The object of the Bill is to impose an Estate duty on property passing or deemed to pass on the death of a person. Though the levy and collection of income-tax at high rates since the war and the investigations undertaken by the Investigation Commission in a number of important cases of tax evasion have, no doubt, prevented to some extent the further concentration of wealth in the hands of those who are already wealthy, yet these do not amount to positive steps in the direction of reducing the existing inequalities in the distribution of wealth. It is hoped that by the imposition of an estate duty such uneqal distributions may be rectified to a large extent. Such a measure would also assist the States towards financing their development schemes..."

Sir, the Estate Duty Act had two purposes. It was to prevent concentration of wealth in the hands of a few and to provide finance to the States for their development activities. But if we examine the working of the Estate Duty Act, we find these objectives have not been fulfilled because there has been more and more

[Shri Biswa Goswami]
concentration of wealth in the hands of the very few. As one of the hon. Members has already stated, there are some big industrial houses whose assets were Rs. 25 crores at the time when the British left the country and now they have acquired assets to the tune of Rs. 2500 crores.

SHRI KALYAN ROY (West Bengal): And their personal assets have gone down.

SHRI BISWA GOSWAMI: But their personal assets have gone down. This is what they say. In this way instances after instances can be quoted. As a result of this and the failure of the Government to fully implement the provisions of the Act this situation has arisen. Sir, under the Estate Duty Act, Rs. 13 crores in 1978-79, Rs. 20 crores in 1980-81 and Rs. 20 crores in 1982-83 were collected; and according to the audit report for 1982-83, the arrears under the Estate Duty Act are Rs. 34 crores. There has been a large scale evasion of taxes and the Government has failed to plug the loopholes so that evasion can be checked. This has become a very serious matter. And we have seen that the big monopolists, the big industrial houses seldom pay their taxes honestly. It is the middle class people who pay their taxes. It is the widow who pays her taxes. But the big people who can afford to pay, evade and the Government is powerless to collect their dues from these big houses. So Sir, whatever may be the provisions, the purposes and objective of this Bill, the Government has totally failed to proceed towards that long-cherished goal of having social justice in our country.

And moreover, Sir, I want to mention, it has become the tendency of this Government to be lenient towards the rich and to be more stringent towards the poor people.

Sir coming to the present Bill, this Bill has been brought before this House, and the main purpose is to exempt agricultural land from the levy of the estate duty. They have not specified what the size of land is. Whether it is one acre or one thousand acres, they have not mentioned. They have exempted altogether agricultural land from the purview of this tax. That is the main purpose of this Bill today, and this agricultural land, Sir, includes tea plantations and coffee plantations. So, these planters are exempted from paying the estate duty.

Then, again Sir, in our country, 3.9 per cent landlords own 30 per cent of our land in the country, 4.6 per cent of land holdings are less than one hectare, and 18 per cent of land holdings are between 1 and 2 hectares. (*Time bell rings.*) Sir two or three minutes more. So, 3.9 per cent of the landlords are going to gain by this Bill at the cost of the poor, landless poor, marginal farmers and small farmers. They are not concerned, it is not the concern of the Government to give concession to the poorer sections. They have brought this Bill only with the purpose of giving concessions to the landlords in the rural areas. In the rural areas, Sir the exploitation, the exploitation by the rural rich of the rural poor people, is increasing day by day.

Sir, by this general exemption the people will now be tempted. people having black money will be tempted, to invest money in land. And perhaps the Government also will not mind if those who are capitalists, invest money in land. Already in the rural areas, capitalist farming has been introduced to the detriment of the interest of the small and marginal farmers. And again this Government has come forward with this Bill to protect the interest of the landlords, to protect the interests of the tea planters or the coffee planters, whether they are in tea plantation or coffee plantation.

Sir there is no justification to exempt thousands of acres of land in tea gardens and coffee gardens by

simply providing that agricultural land is exempted. Sir, unfortunately the present Government has followed a policy of collecting money from the poor through indirect taxes. They are not interested in collecting money from the rich who have evaded tax. There has been thousands of crores of rupees tax being evaded, and black money has been accumulated.

If the Government intends to help the poor people, those who cultivate land, they should have land reform measures. Instead of bringing forward this Amendment, they should have provided for land reform measures. But they have not done so.

Although I am for simplification of tax measures in the contry, I am totally opposed to this Amendment Bill becuase it will not help the poorer sections of the people in the rural areas. Rather it will help landlords and it will encourage more exploitation by the landlords of the poor farmers. Therefore, Sir, I oppose this Amendment Bill.

SHRI PAWAN KUMAR BANSAL (Punjab): Mr. Vice-Chairman Sir, the Estate Duty (Amendment) Bill, 1984 which seeks to exclude the agricultural lands from the levy of Estate Duty is a piece of progressive legislation which must be welcomed and supported by each one of us. India is primarily an agricultural country and for the advancement of our economy it is imperative that we provide the maximum facilities and incentives at our disposal to the farmers, to the sons of soil, who in the face of the natural calamities that the country has to face from time to time strive to produce food for the country.

In these days of spiralling prices it so happens that often the prices of small holdings—the unremunerative holdings of small and marginal farmers aggregate in price to over Rs. 1.50 lakhs which is the present limit prescribed for the purpose of the estate duty under the Estate Duty Act. Sir, very often the death of the last holder works as a double tragedy for the legal heirs of the deceased because in addition to the death of a very close relative it so happens that the inheritors of the property, the property which is fragmented by inheritance they are unable to pay the estate duty You will agree with me that to pay the estate duty they cannot sell the meagre holdings which they have because it is only here that they work day and night for their livelihood and to produce food for the country. Their agonies are further aggravated by the fact that they have to deal with bureaucrats and avaricious officials for settlement of their estate duty cases which consumes lot of their time. Unfortunately, the unhelpful attitude of the lawyers in at least some cases further makes the things miserable for them. So, in view of these circumstances, the Government has rightly done its duty in coming forward with this piece of legislation to exclude agricultural lands from the purview of the estate duty.

However, Sir, I see from clause 2 of the present Bill that the State of Punjab is excluded from the operation of the amendment. Sub Section(2C) to Section 5A as sought to be introduced in the Act by clause 2 says that in case of States which have been mentioned in sub-clause (a) the amended Act would come into operation after two months of receiving the assent of the President, while in other States which by resolutions of the Legislatures may be ratifying the proposals the amendments would apply after four month of the said resolutions.

The State of Punjab as we all know is presently under the President's rule. As such a resolution as postulated by Article 252(1) of the Constitution of India cannot possibly be passed by the State Legislature and if we go by the words of the amending Bill it would appear that the salutary amendments of this Act would not apply to the State of Punjab. till we have a legislature of our own and that legislature further passes a resolution to the effect that these amendments stand adopted by the State of Punjab.

[Shri Pawan Kumar Bansal]

In this context, Sir, I would like to draw the attention of the hon. Finance Minister to the provisions of Article 357 of the Constitution which says :

> "Where by a Proclamation issued under clause (1) of article 356, it has been declared that the powers of the Legislature of the State shall be exercisable by or under the authority of Parliament, it shall be competent for Parliament....."

to do the acts enumerated in clauses (a) to (c). Now the wording used in Article 252 is, "if there is a resolution to that effect by the State Legislature...." And if we closely pursue the wording of Article 357, we find that it does not talk of only legislating on the State subjects by Parliament. It also says that the powers which are exercisable by the Legislature of the State can be exercised by Parliament. So I want to make out a case before the hon. Minister that during the period when the State Assembly is in a state of suspended animation, the benefit of the amending provisions of this Act should not be denied to the State of Punjab. Parliament in my view, could very well include by a resolution the State of Punjab among those States where this amendment would take effect immediately. In any case, Article 357 further says that the subjects on which Parliament legislates for a State shall continue to apply for the State till the State, after the Legislature comes into being, amends or repeals or otherwise decides to undo those amendements. But in any case, if it is felt by the Government that there is any legal lacuna in the immediate extension of these provisions to the State of Punjab, I would stress upon the hon. Finance Minister that after the Legislature of the State of Punjab comes into being again these provisions should be made applicable to the State with retrospective effect from the date from which they would be applicable to the other States mentioned in clause (a) of Sub-section (2 C) of section 5A.

Sir, before concluding, I would just seek a minute's indulgence from you to say that the apprehensions expressed by Mr. Biswa Goswami about the outcome of the amendments are, in fact, not on a sound basis. The allegation that the Congress Government has been taking a lenient view towards the rich is, in fact, not supported, by the amendments which are sought to be introduced now. As I said earlier, the basic purpose of abolishing estate duty on agricultural land is agricultural reforms and to see that the farmer works unhindered by the pressing laws. And his observation that the abolition of estate duty on agricultural land would, in fact, give an impetus to the people to invest black money in lands is again, with respect I must submit, without basis because there are numerous provisions in the various laws that at the time of registration of any transaction, the registrar can go into the matte of valuation of land and decline to register any transaction if he finds that it is undervalued.

With these words I support the Bill and hope that it finds approval from all quarters because it is, in fact ,a salvatary provision which would go a long way in ameliorating the lot of the farmer. Thank you.

श्री हुक्मदेव नारायण यादव (बिहार) : उपसभाध्यक्ष महोदय, इस बिल में जो तेज तरीके आदमी हैं वे तो बच जाएगें, लेकिन जो ईमानदार आदमी हैं वे इसमें ज्यादा पकड़ में आएगें और अफसर उनको ज्यादा परेशान करेंगे । जैसा कि अभी कहा गया सरकार को इससे आमदनी होती है 13 रुपए और खर्चा है दस रुपए, बाकी बचे सरकार के पास तीन रुपए । तो जो सरकार ने टैक्स वसूल किया है उसके अनुपात से उससे आमदनी नहीं होती । जो कर निर्धारण करने वाले अधिकारी हैं और जब केस चल जाता है उसकी तरफ से लड़ने वाले वकील होते हैं, ये सब मिलकर उससे ज्यादा रुपया इनका पचा लेगें । यह तो केवल बिल है । मैं समझता हूं कि यह विधेयक किसी लाभ के लिए नहीं लाया गया है । यह इसलिए लाया गया है कि चुनाव के समय में किसानों को

बीच में जाकर इस नकली विधेयक का प्रचार करेंगे कि किसान को छोड़ दिया गया है, किसान मरेगा तो उसके ऊपर मृत्यु कर नहीं लगने वाला है । तो आपने बिहार में 17 एकड़ की सीलिंग कर दी है सिंचित भूमि की, जमीन की सीलिंग तो रखी है, लेकिन जो चालाक आदमी हैं वह 17 एकड़ से ज्यादा नहीं रखते हैं अपने नाम से, वहां तो कुत्ते के नाम से, गधा के नाम से, घोड़े के नाम से, भैंस के नाम से, पेड़ के नाम से, कुर्सी के नाम से, टेबुल के नाम से, कहां-कहां न जाने किस-किस नाम से जमीनें रखी हुई हैं । इसकी जानकारी आपको है ? जो भूमि सुधार कानून लागू करने के लिए कदम उठाए गए वे लागू ही नहीं हुए । जो आदमी जमीन की चोरी कर लिया है, उसको पचा लिया है, उसकी जमीन को आप मरने के बाद कैसे निकालेंगे ? उसकी जिन्दगी में तो निकाल नहीं पाए, तो मरने के बाद कहां से खोजेंगे ?

दूसरी चीज यह है कि जो आपकी व्यवस्था है उसमें जो बड़े-बड़े लोग हैं, शहरी सम्पत्ति जिनके पास करोड़ों-करोड़ की है, उनकी सम्पत्ति का मूल्यांकन कौन करता है? मैंने इसी पार्लियामेन्ट में मुजफ्फरपुर और पटना के कई लोगों के बारे में क्वश्चन किए और जो जांच करने गए वे जानते हैं कि मकान में अपार सम्पत्ति को वे छिपा लेते हैं । एक-एक शीशा एक बाई एक फुट का 10 सौ 20 सौ का है, एक-एक कालीन 50 हजार या एक लाख की है जिनको वे बिछाते हैं । मेरा आरोप यह है कि जो बड़े घराने के लोग हैं उनकी सम्पत्ति का जो मूल्यांकन करने वाले हैं व उसमें कमीशन खा जाते हैं तो वसूल कहां से होगा । वह तो वहीं बन्दरबांट कर लेते हैं । वे कहते हैं कि तुम्हारी सम्पत्ति एक लाख की है । कर अधिकारी और वकील ये दोनों मिलकर हिस्सा बांट लेते हैं सरकार का टैक्स चूल्हे भाड़ में जाए, तो वसूल कहां से होगा? मैं उदाहरण के तौर पर कहता हूं कि एक-एक आदमी के ऊपर करोड़ों-करोड़ों रुपया बकाया है । मैं सरकार के सामने ये आंकड़े रखना चाहता हूं । सरकार ने यह पोथी मेरे पास दी है । ये सरकार की पार्लियामेन्ट में दी हुई पोथी है जिसमें 31-3-1981 तक के सारे आंकड़े दिए थे । 31 मार्च, 1981 तक केन्द्रीय उत्पाद शुल्क, सीमा शुल्क और आय कर इन तीनों के मेरे पास आंकड़े हैं । उसके मुताबिक बिड़ला समूह पर सरकार का बकाया है 2159.99 लाख , मतलब 21 करोड़ 60 लाख के करीब बिड़ला घराने पर बाकी है और 9 करोड़ 23 लाख रुपया टाटा पर बाकी है । उसी तरह से गोइंका पर बाकी है । तो 21 करोड़ रुपया जब एक घराने पर बाकी है तो यह सरकार क्या कर रही है? मैं सबसे पहले जानना चाहता हूं कि सरकार नाम की कोई चीज है इन लोगों के लिए जो टैक्सों को वसूल करें ? अगर है तो सरकार की बांह, उसका कानून कहां है ? इनकम टैक्स की धारा, धारा पर उपधारा, उपधारा पर उपधारा, कितनी ही उसकी शाखाएं बनाए हुए हैं लेकिन कुछ नहीं होता। यह तो वैसे ही हुआ जैसे गेंची मछली को पकड़ना चाहे तो गेंची मछली पकड़ना आसान नहीं है. उसको मछुआ पकड़ना चाहे तो उसके हाथ से फिसलकर निकल जाती है। इसी तरह से बड़े घरानों को पकड़ने की कोशिश करेंगे तो कहीं न कहीं से रास्ता निकाल कर निकल जायेंगे । इतना रुपया जो दिखाया गया है आप उसको कहां वसूल कर पा रहे हैं । मेरा आरोप है कि जो टैक्स लगाने वाले हैं, जो कर निर्धारण करने वाले अधिकारी हैं वे ही ऐसा करते हैं । मैं आपको यह बताऊं कि पटना में ही आपके जो कर-निर्धारण करने वाले अधिकारी हैं, आयकर डिपार्टमेंट के इन्कम टैक्स के अधिकारी हैं वे यह समझते हैं कि वे ही त्रिलोकपति हैं, ये भगवान से उपर हैं । ये दुनिया से नहीं डरते । जिसको चाहे फंसा देते हैं. जिसको चाहे परेशान कर देते हैं, जिसको चाहे छोड़ देते हैं । कभी आपने उनकी सम्पत्ति की जांच की है ? जो इन्कम टैक्स आफिसर हैं, आयकर विभाग के जो अधिकारी हैं कभी आपने उनकी सम्पत्ति का मूल्यांकन किया है? जो इन्कम टैक्स डिपार्टमेंट के असेसमेंट अधिकारी हैं कभी आपने उनकी सम्पत्ति का असेसमेंट किया है? कभी ये पकड़े गये हैं? कभी आपने इनको एकड़ने की कोशिश की है ? मेरा कहना है कि टैक्स लगाने वाले जो लोग

[श्री हुक्मदेव नारायण यादव]

हैं उनके बारे में भी सरकार को सोचना चाहिए। मैं अपनी बात समाप्त करते हुए यह निवेदन करना चाहूंगा कि आपका टैक्स लगाने का जो आधार है वही गात है। मरने के बाद टैक्स लगाएं या कहां-कहां पर टैक्स लगाएं इसके लिए मैं यह कहना चाहता हूं कि एक ही बार कानून में संशोधन करें और इस तरह के टैक्स के सब छेद बन्द कर दीजिए और साफ-सफ लिख दीजिए कि खर्च पर पाबन्दी होगी। किसी भी आदमी को एक निश्चित सीमा से ज्यादा खर्च करने का हक नहीं होगा। न्यूनतम और अधिकतम जो हो 1000 से कम न 1000 से ज्यादा, समाजवाद का यही तकाजा । कल्पनाथ राय जी, जब हम जेल जाते थे तो हम यही नारा लगाते थे न । सीमा लगाकर बांध दीजिए तो आप देखेंगे कि न कोई विषमता रहेगी और न कोई चोर पैदा होगा । आप उनके खर्च पर पाबन्दी लगा दीजिए । पन्द्रह सौ, दो हजार, एक हजार कोई भी सीमा बांध दीजिए कि इससे अधिक हम किसी को खर्च करने नहीं देंगे । अगर उससे अधिक कोई खर्च करता है तो जितना अधिक खर्च करेगा उस पर तीन सौ परसेंट टैक्स लगेगा । ज्यादा खर्च होना ही बंद हो जायेगा। इसलिए कहता हूं कि खर्च पर पाबन्दी लगाइएं । उस पर टैक्स लगाइएं। जो टैक्स लगाने वाले अधिकारी हैं उनके ऊपर भी नियन्त्रण करिये, उनकी भी जांच करियें । बड़े-बड़े अधिकारी और व्यापारी मिलकर देश को लूट कर खा जाते हैं । उनके ऊपर कलम वालों की कलम भी नहीं चलती, उनके बारे में अखबारों में भी कुछ नहीं आता । यह ऊफसर और व्यापारी मिलकर जो खेल खेलते हैं इस पर सरकार को गम्भीरता से, गहराई से सोचना चाहिये । इतना ही कह कर मैं अपनी बात समाप्त करता हूं ।

SHRI KALYAN ROY: Sir, I will be very brief. But I must express my great concern that when we hear reports of armed massacre of harijans, tribals, landless labourers and poor peasants by the landlords' goons and armed squads in various parts of Bihar and we also see reports that peasants are also organising and resorting to armed struggle to fight this offensive by the landlords, the Government at this particular moment chose to bring this Bill.

I agree with Mr. Poojary that it is a short and simple Bill. What he perhaps forgot to tell the House is that it is a short simple, sinister and sad Bill. He gave the reason that collection has not been enough, if I followed him correctly. The second reason he gave was that it has led to difficulties of litigation.

Mr. Poojary will agree with me that in the last five years cases pending in various stages of income-tax appellate side are increasing in spite of increase in the staff and officers. Cases pending in courts are also increasing and the arrears have crossed even lakhs involving crores of rupees. Even in the form of excise duties Mr. Mukherjee said that Rs. 246 crores are locked up and all these belong to big business houses, such as Birlas, Tatas and Mafatlals. If this is the ground, then I would not be surprised if tomorrow the Finance Minister comes to the House and says: Arrears are pending and cases are complicated and the ylead to litigation and, therefore, I am going to abolish excise duties and other duties. Mr. Poojary said that the collection is not enough and he said it is only Rs. 1,70,00,000 or so. If that is the case, then I think, Mr. Mukherjee will tomorrow bring forward Bill saying that as the Gift Tax collection has been round about six or seven crores only, Gift Tax should be abolished. Even in the case of Wealth Tax, the increase has been very marginal. In the last two years, it was only marginal. In 1981-82, it was Rs. 80.56 crores, and in 1982-83, it was only Rs. 86 crores. If these are the grounds then these grounds are enough under your brilliant administration to abolish all kinds of direct taxes. I don't think that Mr. Poojary is at all convinced of the arguments. Maybe he is also under pressure—I can understand that—because the elections are knocking at the doors.

THE MINISTER OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): Sir, for the information of the honourable Member, I may say one thing here. One of his friends advised even abolition of the Income-Tax and I think that veteran trade union leader does not belong to my party.

SHRI KALYAN ROY: I would deeply appreciate if the Finance Minister who refused to give any information on the first question today, can at least mention the name of the colleague who advised this.

Today, Sir, as the others have pointed out, the Government has finally decided to scrap all traces of socialism and go the whole hog for a totally capitalist development, feudalistic development, and for an exploitative system, and that is the only ground which can be advanced today for the removal or for the exclusion of agricultural land from the levy of this duty. Only two points I would like to make in this connection. Is there sufficient and strong political will to enforce this levy? Don't you see that there was no sufficient political will to enforce this and, there, fore, you are now taking the plea or offering the excuse that the collection is not enough? I will just give one fact which has not bee ntold here before. Now, you have your Action Plan Target: What should be the collection of Gift Tax and Wealth Tax and Estate Duty and corporate taxes and settlement of arrears? The action plan target for Estate Duty in 1982-83 was like this: Work-load: Rs. 27.31 crores; Disposal: Rs. 10.42 lakhs, target plan was 50 per cent: and the achievement was only 38.2 per cent. Who is responsible for this? Whatever target your Department has fixed in consultation with you, you have miserably failed to achieve and you have no explanation for that.

Now, my second point is this: What I am going to stress here is that such is the effeciency, such is the will and such is the determination on your part to collect Estate Duty, that I would like to quote some figures. While in 1979, only ten of cases were completed in relation to Estate Duty, it went down in March 1980 to six and in March 1984 to four, that is, over twenty lakhs. And the number of cases of people who could give Estate Duty of twenty lakhs, thirty lakhs, etc. which are completed are ten, six, four, and it goes on like that and, below fifty thousand rupees, according to the figures given here by the Finance Ministry the total number of cases is 24,852.

SHRI JAGESH DESAI: Below fifty thousand, there is no Estate Duty.

SHRI KALYAN ROY: I am not able to follow what you say. (*Interruptions*). Yes, you are right I am only pointing out the discrepancy. According to this figure, the Estate Duty assessment completed last year, over Rs. 20 lakhs, is only ten or so. I would like to point out the facts now. Your collection is going down because you are not clearing the arrears, your arrears of the assessment are mounting in relation to the bigger people, you are not clearing them because of pressures and your collection has remained stagnant. You will be surprised, Sir, to note that during the last ten years, I think, Member after Member, in both the Houses, have clearly, precisely and categorically pointed out that when the late Dr. Deshmukh brought forward the Bill in 1953, whatever had been stated in the Statement of Objects and Reasons, those aims and objects have been frustrated. The instrument is not being used, the tool is not being used for the purpose for which it was enacted, now you are saying that the tool is useless. You have decided to finally and completely merge your interests with the interests of the landlords and big monopolists. And that is the main reason why you have come today to bring this Bill I say that if you have any feeling for a very poor, develop-

[Shri Kalyan Roy]

ing country where more than 50 per cent of the people are below the poverty line and who do not have a square meal a week, then please pause once more and scrap the Bill. (*Time Bell rings*). I am finishing. Go against those who are responsible for the poverty, the ills and backwardness of the country, that is, the landlords and big monopolists. That's all.

SHRI KRISHNA KUMAR BIRLA (Rajasthan): Hon. Mr. Vice-Chairman, I would like to congratulate the Finance Minister for having brought this Bill.

The Bill, Sir, is with limited objectives. The only suggestion that I would like to make, as far as this particular Bill is concerned, is that the Government may try to make it effective restrospectively. Sir, the proposal was first made on the 20th February 1983. And there are precedents where Bills introduced on certain dates when passed at a later date, were made applicable retrospectively. In respect of the Estate Duty itself, the earlier limit was Rs. 50,000. This was raised to Rs. 1,50,000 The proposal was made in 1981. The Bill was passed in 1982. But it was made effective from 1-3-81. Likewise I would suggest that let this Bill also be made effective from 1st March 1983. It will give relief to a large number of people.

Sir, this particular Bill, as I mentioned, is only for a very limited angle. I know the hon. Finance Minister will shortly come before this House with another Bill with a broader angle. I would like to point out that in many countries, Sir, like the U.K., for example the Estate Duty Act has been replaced by some sort of Inheritance Tax Act. Sir, there is a difference between Estate Duty Act and Inheritance Tax Act. In the case of estate duty, the entire estate is taxed according to the various rates laid down. In an inheritance act each beneficiery pays the tax. That way the rigours of the Estate Duty Act in several countries are very much reduced.

I would also like to mention that the Jha Commission has given a lot of consideration as far as this Bill is concerned. I would plead with the Finance Minister that many of the recommendations deserve serious consideration. For example, at present one house is exempt from estate duty but limited to one lakh of rupees. This was imposed in 1964. The value of money has gone down. This one lakh has to day no meaning. The Jha Commission has recommended very wisely that one residential house should be completely exempted as far as the Estate Duty Act is concerned. Likewise, there is another very important concept which has been taken note of by the Jha Commission and that is that as far as the redistributive thrust is concerned, let it be felt by the next generation. It means that the spouse (his wife in the case of the death of a man and her husband in the case of the death of woman) should be given special consideration and the consideration that the Jha Commission has suggested is 50 per cent subject to a certain ceiling. I would like to point out that in U.K., as far as the spouse is concerned, the exemption is total where as in U.S.A., the exemption is to the extent of 50 per cent or 2.50.000 whichever is more.

I would like to make another suggestion which has again received consideration at the hands of the Jha Commission. Assuming that I were to take gift of a property, I will be required to pay Gift Tax on that property today. If the man who makes a gift were to die within two years, then that property will be included again as far as the Estate Duty is concerned. The Jha Commission has suggested, and very rightly that this is a very harsh measure and that something should be done about it. They have suggested that as far as the Estate Duty is concerned, this should be done away with.

We here so much about N.R.Is. The Jha Commission has also suggested that the investment is shares and securities by the N.R.Is. should be completely exempt because the country needs their support. I would also like to suggest and plead that as far as the slabs are concerned, they need to be widened up and the maximum rate also needs revision. For example, in Belgium the rate of Estate Duty is 25 per cent. In Denmark, it is 32 per cent, in France 20 per cent and in West Germany 35 per cent. In U.K. the rate is 75 per cent, but on a estate of over £26,50,000 or over almost Rs. 4 crores. There also, the principle of Inheritance Tax has been introduced. In India also, when the Estate Duty Act was first enacted in 1953, the rate was 40 per cent on any estate above Rs. 50 lakhs. Then on 1st April, 1964 this was increased to 85 per cent and the amount of 50 lakhs was reduced to 20 lakhs rupees. I would like to mention that the Estate Duty has been playing havoc with the lower and middle-class families because as the monetary value of rupee has gone down , the price of estate has arisen. This has been causing a great deal of havoc. There are cases where people who are not required to pay Income-Tax or Wealth Tax, are required to pay Estate Duty. There is obviously a great hardship for them to pay Estate Duty. Sometimes, these, people have to sell off their investments their ornaments, their properties or they have to take loan. *(Time Bell rings)* Two minutes more, Sir. I would like to mention that the Estimates Committee of the Lok Sabha have suggested that this exemption limit of Rs. 1.5 lakhs should be raised to Rs. 2.5 lakhs. I would plead that this should receive attention at the hands of the Government. I would also like to mention that just as in many other countries, as far as productivity assets such as investment in shares are concerned, there should be some concession. At present, **6 P.M.**

Sir, there is no limit as far as the assessment of the estate duty is concerned. This is causing a great amount of hardship as far as the common men is concerned. I would plead that there should be some time limit say two years within which the estate duty has got to be completed. Otherwise, it is causing a lot of harassment.

In the end, I would like to mention this. Let the hon. Minister also consider whether or not it will be proper to completely abolish estate duty. Sir I would like to mention that in many developed countries, there is no estate duty. For exemple, Sir, Australia had the estate duty and in 1977 they abolished it. They found that their experience was not very good. So, they abolished it. Likewise, Canada had estate duty and they abolished it in 1971. Many developed countries do not have estate duty. For example, Switzerland does not have any estate duty act. And many developing countries do not have estate duty. Pakistan and Bangladesh who are our neighbours do not have estate duty. And, Sir let us also consider from this angle that the total amount that has been provided in the Budget for estate duty is only Rs. 21 crores against the total revenue estimate of about Rs. 23,000 crores. now, Sir, this income is very low. The part that it plays is very insignificant and yet as far as the nuisance value is concerned, it is colossal.

With these words, Sir, I would like to conclude. Thank you.

SHRI YALLA SESI BHUSHANA RAO (Andhra Pradesh): Mr. Vice-Chairman, Sir, the objects and reasons of the Estate Duty Act as passed in 1953 are two-fold: to prevent to some extent further concentration of wealth in the hands of those who are already wealthy and to reduce the existing inequalities in the distribution of wealth; and to assist the States towards financing their development schemes. These are the two basic objects of the Estate Duty Act.

[Shri Yalla Sesi Bhushana]

Sir, the primary objective of the Government is to establish an egalitarian society, a society based on social justice, a society where there is no exploitation, where concentration of economic power in a fewer hands is checked. This is the general objective of every Finance Bill. particularly those relating to the wealth tax and estate duty and so on. But the Union Government is not serious in checking the concentration of wealth in a few individuals in this country. Sir, if we look into the figures of the large industrial houses— I need not repeat this as the other hon. colleagues have already mentioned it—they are mounting. From mere Rs. 25 crores before the British left this country, they are now crossing Rs. 2,500 crores. This is the socialism that the Government is proclaiming in this country. These laws are in no way helping to check the concentration of economic power in a few hands. So, there is need for dynamic thinking in reducing the economic inequalities. The industrial houses have better tax management. They can keep experts who are adopt to manipulate the tax laws in a way as the big companies need not pay the taxes. So, the honest tax-payer is hard hit in this country. Our tax policy is to help the rich and hitting hard the middle-class people, and the administration is very harsh to those who sincerely pay the taxes.

So, I request the hon. Minister to look afresh and enact such tax laws where the higher incomes are checked. There must be a ceiling on urban income and at least there should be a reduction in the income levels. My suggestion is that the ratio should be 1: 10.

Sir, 50 per cent of the population is under the poverty line. The first step for any Government which professes socialism is to reduce the high-or income to a certain extent where there cannot be any exploitation by the concentrated economic power. There is need for standardisation of the valuation norms also. The same standards should be there for both wealth tax and estate duty. Sir, in the amendment relating to the agricultural lands, there is a great difficulty in defining the agriculturists. Sir, as far as the agriculturists are concerned. I suggest that the man who tills the land should be called the agriculturist. Then there are big plantations worth crores of rupees. They are exempted from this amendment, which is a grave injustice in the name of agriculturists. So, I suggest that some clear definition must be given to the word 'agriculturist' so that the small agriculturists can be saved. Now in the name of agriculturists people with black money will go for lands and thereby they will try to avoid payment of this tax. So, I would request the hon. Minister to draw a line in this matter. The main objective of the Bill is to bridge the gap between the rich and the poor. It should be seen that this purpose is not defeated. So, care should be taken not to enrich the landlords. So, I would request the hon. Minister to frame a clear and comprehensive Bill about all the tax laws and reduce the concentration of wealth in a few hands. This Bill is not only any way beneficial to the common agriculturists. Thank you.

SHRI SANKAR PRASAD MITRA (West Bengal): Mr. Vice-Chairman, Sir, the hon. Minister has advanced his reasons for introducing this Bill. His reasons appear to be that estate duty from agricultural land realised in 1983-84 has been only Rs. 70 lakhs and in 1982-83 only a crore of rupees. And his further ground is that since wealth tax on agricultural land has been abolished, it is in the fitness of things that estate duty should also be abolished. The difficulty is that if he is trying to abolish estate duty because the amount that is realised is negligible, then why is he abolishing estate duty on agricultural land only? Let him abolish estate duty altogether, because from the reports that we receive for the realisation of estate duty

they are spending Rs. 19 crores. They had collected only Rs. 13 crores in 1978-79 and Rs. 21 crores this year out of a total central tax revenue of Rs. 23,000 crores. If you assess in this context, estate duty in our country is altogether irrelevant. But when Pandit Jawaharlal Nehru thought of imposing estate duty he looked at is from an entirely different point of view. He looked at it from a symbolic point of view and that symbolic point of view was that its objective should be (1) to reduce the inequality of income and wealth in accordance with articles 38 and 39 of the Directive Principles of the Constitution, (2) to collect resources for the development of the country, and (3) to control inflationary situation, if any, in the country.

Sir, we are told that a comprehensive taxation Bill is about to be laid before Parliament. Why prematurely this Bill is being introduced which has been in operation for so many years, has to be explained by the hon. Minister. Such a Bill has some dangerous consequences which have to be taken into consideration. Some hon. Members of this House have drawn your attention to those consequences. Whom are you really benefiting? Are you really benefiting the small farmers possessing only a few acres of land? Our whole idea was to abolish intermediaries altogether, to bring the tiller of the soil into direct contact with the Government. We wanted to introduce a ceiling on agricultural land. Your land ceiling measures have not yet been fully implemented. The reports are that 4 per cent of the big landlords are ex-rulers, capitalists etc. who hold 31 per cent of the land in this country. We find another report that 15 per cent of the people possess 60 to 70 per cent of the land and 80 per cent possess only small holdings. Then there are thousands of acres of tea-gardens, coffee estates etc. which are said to be agricultural lands. Now, the owners of all these types of land who might have been assessed to estate duty would be totally exempt from estate duty by reason of passing of this legislation. Therefore, until land reform measures are fully implemented in the country and until you are in a position to bring a comprehensive legislation which will give us the hope for the establishment of an egalitarian society, for which Mahatma Gandhi and Jawaharlal Nehru had toiled and struggled, this kind of legislation seems to me to be ill-conceived and premature and in your reply I hope you would explain why prematurely you are bringing this legislation. Only after hearing your reply, can I be convinced that this legislation is an immediate necessity.

SHRI JANARDHANA POOJARY: Mr. Vice-Chairman, Sir, I am very happy that hon. Members from both sides have made some valuable contributions. Some important points have been also raised. Some suggestions have also come forward. I will first deal with the points raised by the hon. Member who spoke last.

Sir, here, the scope of the debate is limited. We are introducing an amendment to the Estate Duty Act to exempt the agricultural lands. Sir, estate duty in respect of agricultural lands is a State subject. Earlier, power was with the State Governments. By virtue of the Resolution passed by the State Government, the power was given to the Central Government under Article 252 of the Constitution to enact the laws. So here also while amending this Estate Duty Act in respect of agricultural land before bringing the amendment, the State legislatures have passed the Resolution. Only after these Resolutions have been passed, we have been able to introduce this amendment Now, as I said, after getting the power, we enacted the Estate Duty Act. By virtue of this, we get the power and what was the power? We levied estate duty. We administered it. We collected it. Then, we distributed it to the States. We did not keep anything out of the estate duty in respect of agricultural land. Now, the hon. Member, the eminent jurist, has made the

[Shri Janardhana Poojary]

point to the effect that this amendment should form part and parcel of the comprehensive Taxation Laws (Amendment), Bill which is coming up. Am I right? *(Interruptions)*

SHRI SANKAR PRASAD MITRA: My point is, when you are going to bring forward a comprehensive Bill, why are you bringing in this legislation prematurely?

SHRI JANARDHANA POOJARY: There also, if at all we have to bring in a comprehensive law, we require the Resolutions by State Legislatures. If we have to bring in this amendment, we require Resolutions by State Legislatures. This is the difficulty. Without the Resolutions from the State Legislatures, we cannot introduce this amendment. We cannot include it in the comprehensive law. This is one point.

There is another point which has been made by an hon. Member, who is not here now.

SHRI SANKAR PRASAD MITRA: You require Resolution to enact a Central Act. But you do not require any Resolution to include the provision in another Central Act.

SHRI JANARDHANA POOJARY: It is not repealing. The confusion has been created here. We are not abolishing estate duty on agricultural land. On the contrary, we have given the power back to the States. We say there are some administrative difficulties, some exigencies are there. Therefore, we do not want to have this power. you take this power, if at all you want to become popular or if you want to become unpopular also. It is for you people to enact the law. Some hon. Members have said that this Government is trying to become popular because elections are coming. If that is so, why can't you do this? You can also enact the law. It is within your power to do so. Do it. Get the popularity. But do not say that we are for the rich people. Do not say that we are for the big people. Do not say that we are for the big industrialists and big agriculturists and that is why we are doing it. You can do it. The power is given to you. Your are for decentralisation of powers. You are not for centralisation of powers. The power is given to you. You are for power. Enact the law. Levy estate duty. Who prevents you?

One hon. Member raised another point. He has left the House now. He said that there should be uniformity, there should be simplicity. This is what he has said in regard to this change. Now, there is a basic difference, in the nature of these two laws, namely, in regard to estate duty and wealth-tax. He says, there should be uniformity. As you know, Sir, so far as the wealth-tax is concerned, it is an annual tax, annual levy. But estate duty is levied after death only. Only once it can be levied. In the case of wealth-tax, the number of assessees is also large. Therefore, there cannot be any uniformity.

Another point which has been raised here is that we are—particularly this Government—allowing the multi-nationals to grow, that we are helping the rich people and that we are not helping the weaker sections. It is said that it is not the Government's intention to help the weakers sections who are living below the poverty line. Yes, Multinationals and big industrialists have grown. But Sir, the days have gone when the Finance Ministers of this country were presenting Budgets which were less than the Budgets of the Corporation of New York. Today. 'the tax element in the Central Budget is Rs. 23,000 crores. In the early 50's people used to say that we were neglecting the public sector, we were only encouraging the private sector. In the early 50's there were only 5 Central public sector undertakings with an investment of Rs. 29 crores. There the contribution of the public sector was only 7 per cent. The private sector contribution was 93 per cent. Today the contribution of the private sector has been reduced from 93 per cent to 28 per cent and the contribution of the public

sector has been increased from 7 per cent to 72 per cent. Is it a small achievement? Can anybody say that we are against the public sector. Nobody can say that the private sector has grown.

Now about the weaker sections. Really I am very happy when some suggestions come from the opposition members. These things are being talked inside and outside the Parliament also. Some people say, there is corruption, there is inaction, and sometimes they say that the administration is ineffective and that we should take action. But when we are taking action, when we are taking essential action, it is considered as political interference. When we are giving something to weaker sections under various programmes, it is said that the Government is not doing anything. When the Government or the Minister himself is taking interest, what is the cooperation that is coming from the opposition parties? When we are sincerely implementing certain programmes, no cooperation is forthcoming. On the contrary, there is criticism. If constructive criticism is there, we can understand it, but here the position is different. When we have given assistance to the weaker sections, to about 26000 people in Madras, and the amount that has been given is Rs. 2.25 crores odd, hue and cry has been raised—this has come in the paper—from the same people in the banking sector. I am just bringing this to your notice. When a lot has been given to other sectors, there is no complaint. Advertisement has been given against me by the union leaders. When we want to monitor, when we are giving money to weaker sections, a lot of hue and cry is raised. When we are giving to the weaker sections, they are saying all the 26000 people were not belonging to the weaker sections. This is the feeling for the weaker sections. When some big people have been doing something in the country, nobody is complaining, no union leader has ever complained against them, but when we extend help to the weaker sections it has been held that it is for one party, it is for one leader. This is the complaint. So, I am appealing to the hon. Member to extend their cooperation when there is some constructive work being done.

With these words I conclude. Thank you very much.

THE VICE-CHAIRMAN (SHRI ASHWANI KUMAR): Now I will put the motion. The question is:

> "That the Bill further to amend the Estate Duty Act, 1953, as passed by the Lok Sabha be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI ASHWANI KUMAR): We shall now take up clause by clause consideration of the Bill.

Clauses 2 to 5 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI JANARDHANA POOJARY: Sir, I move:

> "That the Bill be passed."

The motion was adopted.

ALLOCATION OF TIME FOR DISPOSAL OF GOVERNMENT AND OTHER BUSINESS

THE VICE-CHAIRMAN (SHRI ASHWANI KUMAR): I have to inform Members that the Business Advisory Committee at its meeting held today, the 7th August, 1984, allotted time for Government legislative and other Business as follows:

Business	Time allotted
1. Consideration and return of the Appropriation (No. 4) Bill, 1984, as passed by the Lok Sabha	3 hours
2. Consideration and passing of the following Bills:—	
(a) The Cinematograph (Amendment) Bill, 1984	2 hours